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**ENERGY POLICY & PROCEDURES****EP 11-07**

Issue Date: October 12, 2011

Expiration Date: Until Further Notice

TO: DOE WAP Contractors / Service Providers
CSD Staff

SUBJECT: Weatherizing Multifamily Buildings – Whole-Building and Individual-Unit Approaches

PURPOSE: To establish CSD policy and provide relevant procedures to implement policy

EFFECTIVE DATE: Immediate Upon Issuance

New Policy/

Policy Statement: CSD has established a policy for weatherizing multifamily buildings that views the entire building as a complete system of inter-connected dwellings and systems and recognizes that in order to provide maximum energy savings and benefit to the residents of a building, a whole-building approach to weatherization is preferred. CSD also recognizes that there may be several scenarios where whole-building weatherization is not possible for reasons that are beyond the control of energy service providers. In order to provide access to services for all income-eligible applicants, CSD has established a policy that will allow for individual-unit weatherization within multifamily buildings provided the reasons that whole-building weatherization is not feasible are thoroughly documented. This approach to weatherizing multifamily buildings is consistent with DOE Weatherization Assistance Program (WAP) guidance.

Background: As administered by CSD, the DOE WAP has historically served single family residences and individual units within multifamily buildings. With the increase in funding realized under the DOE American Recovery & Reinvestment Act (ARRA) program, CSD expanded the scope of the program to include larger multi-unit projects with centralized mechanical systems and small multi-unit projects with either individual or centralized systems.

This new whole-building approach focuses on providing services to the entire building, including common areas and central systems, when the energy savings from these measures meet the required cost effectiveness criteria. By providing more comprehensive services to entire buildings, the WAP program is able to serve a greater number of low income customers, assisting them in improving the health, comfort and safety of their homes while also reducing their energy burden.

When utilizing a whole-building approach, the preferred method of evaluation and development of energy savings estimates is through the use of computer based energy simulations. However, there still exists a set of prescriptive measures that can be applied to both individual dwelling units, as well as common measures (i.e. insulation, etc.) that affect the entire building's energy performance.

This addition to the traditional WAP model has created some unexpected advantages, as well as some areas of overlap and further clarification is needed to help determine when it is appropriate to address the whole building, and when an individual-unit approach is appropriate. This policy endeavors to highlight these scenarios and provide some selection criteria for consideration when weighing options in multifamily buildings

Determining Building Type

When evaluating how best to address a particular multifamily building (i.e. five or more connected units) there are a number of considerations and variables to evaluate. Please refer to the Multifamily Energy Audit Protocol for specific information on building characterization and audit tool selection. Generally speaking, buildings can be broken out into several categories, and potential approaches to energy conservation measure selection.

The following table breaks down the main categories of building types, and the typical approaches.

Housing Type	Priority List Method	REM/Design Audit Method	TREAT Energy Audit Method
Single Family (1 – 4 Units / Includes Mobile Homes)	X ¹	X ²	
Small Multifamily (Defined on Page 3)	X ¹	X ²	
Medium Multifamily (Defined on Page 3)	X ¹		X
Large Multifamily (25 Units or More)			X

¹ Refer to the CSD Priority List Policy to determine allowable whole building measures and allowable measures when weatherizing a single unit.

² All audits apply to the whole building. Audits may not be used to justify measures in a single unit of any building containing two or more units.

Small Multifamily – Must meet **all** of the following criteria:

- 5 – 24 Units
- 3 Stories or fewer
- Individually metered (each unit pays its own utility bills)
- Each unit is heated and cooled independently
- Each unit has its own hot water heater

Medium Multifamily – Must meet the following criteria:

- 5 – 24 Units
- Has at least one of the following characteristics:
 - 4 Stories or greater
 - Utilities are master-metered
 - Common heating system
 - Common cooling system
 - Common water heating system

Evaluating Approach

Under the DOE WAP guidelines, multifamily buildings need to be evaluated for weatherization in much the same way that single family homes are considered. That is, the building operates as a system, and in order to maximize the energy savings opportunities and address the potential health, safety and comfort issues endemic to older buildings, the building should be treated as a system. The result of this approach is to consider the building shell, individual unit and common area efficiency measures together, as a complete system.

There are, however, a number of scenarios in which it is not possible to gain access to all of the units, to obtain owner / management approval to modify central systems or install measures in common areas, or for reasons beyond the energy service provider's control, weatherization of the whole building cannot be completed by the contract termination date.

In order to ensure an equitable distribution of services, it is imperative that ALL eligible and willing customers receive access to services. Therefore it is necessary to provide opportunities for individual units in multifamily buildings to be assessed and served under the program. (Contract language has been developed for an upcoming amendment and can be found in Attachment A.)

Whole-Building Approach

When surveying weatherization projects, it is imperative to attempt to provide the maximum available opportunity for service given the constraints of the building and the client. The preferred approach in the WAP program is to weatherize the entire building, and every effort should be made to do so.

In multifamily projects, this includes identifying and communicating with the building owner, or owner's representative as well as the tenants of the building. Owners and clients that fully understand the scope and benefits of the program are more likely to agree to provide access and opportunity for their buildings to be served.

There are two potential approaches to assessing the possible measures and treatment a building can receive. One is a prescriptive approach and the other is a performance, or calculated approach (Energy Audit). These two options are laid out more thoroughly in the Single Family / Small Multifamily Energy Audit Protocol.

As outlined above, there are times when weatherizing a whole building (all the units, common areas, building shell etc.) is not feasible. These reasons must be documented and include, but may not be limited to the following:

- The owner/manager of the building refuses access to all units, or to the common areas and systems of the building. This communication must be documented;
- A significant percentage of the tenants are not responsive or refuse weatherization services, and all efforts to communicate with them have been thoroughly documented;
- A portion of the building is undergoing rehabilitation, and the units in that area of the building are not accessible for services.
- There is insufficient time remaining before the contract termination date to complete weatherization of the entire building.

When all possible options for treating the whole building have been expended, an effort must be made to access and provide services to those customers willing and able to have services delivered. (Refer to Individual Unit Approach below for further details)

Note: The energy service provider's decision to weatherize individual units in a multifamily building may impact the ability to weatherize the whole building at a future date due to DOE re-weatherization rules. Accordingly, the energy service provider should consider this potential impediment when undertaking weatherization of individual units, balancing the advantages and disadvantages of each course of action.

Individual Unit Approach

In the event that a multifamily project cannot be accessed and weatherized as a whole building, with all units serviced and any applicable common area measures addressed, it is still necessary to attempt to provide weatherization services to the greatest number of customers. If this occurs, the energy service provider must thoroughly document the reasons that the whole building cannot be weatherized before providing weatherization on an individual unit basis.

Due to the difficulty and cost associated with accurately assessing energy savings opportunities in multifamily buildings using a computer generated energy audit approach, individual units are to be treated under the Priority List / prescriptive approach only. This prescriptive list of measures includes all mandatory health and safety measures and tests, all mandatory energy measures and any additional measures that may be approved under the Priority List.

With this approach, priority measures designed to be installed in the entire building are **not eligible** for individual units. These include ceiling and wall insulation, windows and any other “building envelope” measures. Individual unit air sealing measures are allowed, in accordance with existing protocols and standards.

Summary

Multifamily buildings are varied in size, physical characteristics, ownership and opportunity. When investigating weatherization opportunities for multifamily buildings, energy service providers need to consider the many variables that affect their decision about how to best serve the tenants, and the building.

Whenever feasible, the building should be treated as a set of interconnected dwellings, systems and people, as the performance of the building envelope and any common systems affect the entire building, and all of the occupants. The DOE WAP provides opportunities to address these inter-related systems when the owner is willing to ensure that the benefits of any energy savings accrue to the tenants in an equitable manner.

When, for reasons that are beyond the control of an energy service provider a building cannot be weatherized as a whole, services can still be provided to tenants that are qualified and willing to receive them through an individual, unit by unit approach.

Contact:

Please contact Chuck Belk at (916) 576-7212 (cbelk@csd.ca.gov) if you have questions regarding this policy.

This Energy Policy & Procedures document will be posted on line. It will also be maintained as part of the Policy & Procedures manual.

ATTACHMENT A

CONTRACT LANGUAGE REGARDING INDIVIDUAL UNITS IN MUDs FOR ARRA DOE WAP AMENDMENT, EXHIBIT F

7) Multiple Unit Dwellings

- a. In accordance with 10 CFR 440.22(b)(2), Contractor may weatherize a large multi-family building or complex containing more than 5 individual dwelling units when not than less than 66 percent of the dwelling units in the building, or in the case of duplexes and four-plexes, where 50 percent of the units within the building:
 - i. Are eligible dwelling units, or
 - ii. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.
- b. Contractor may weatherize individual units in a multi-family building or complex in lieu of the whole building, *provided* Contractor first endeavors in good faith to weatherize the whole building in accordance with the provisions stated herein. Upon Contractor's determination that the whole building cannot be weatherized because the building does not qualify under standards and procedures established by official CSD Energy Policy which can be found on CSD's website under the "CSD Energy Policies" link. Contractor shall notify CSD in writing of its intention to weatherize individual units in the multi-family building or complex, specifying the reasons why the whole building cannot be weatherized. Contractor shall retain supporting documentation justifying the determination in the event of an audit or monitoring visit.
- c. The weatherization of individual units in multi-family buildings or complexes is subject to unique criteria and allowable measures, distinct from those applicable to single family and multi-family buildings. Contractor may install only those measures allowed for individual units in multi-family buildings or complexes that are specified in official CSD program guidance.
- d. If dwelling units in a multi-family building or complex are qualified for services through a federal, state, or local government rehabilitation program, documentation to verify participation in the rehabilitation program is required.
- e. The amount of funds, however, applied to weatherization services in a building shall not exceed the number of eligible dwelling units multiplied by the maximum average per unit in the contract (Currently \$6,500).

- f. Contractor shall complete a Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or Contractor's equivalent for each complex and shall maintain a copy in each individual client file.
- g. Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or Contractor's equivalent for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.
- h. The owner has signed a copy of the Energy Service Agreement for Rental Units (CSD 515), authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;
- i. No undue or excessive enhancement shall occur to the value of the dwelling units.
- j. The repair and replacement of heating appliances, and water heaters shall be performed at the option of the Contractor in unoccupied multi-unit dwellings under DOE WAP only if a dangerous indoor air quality condition is found to exist, e.g., carbon monoxide hazard or gas leak and/or fire hazard.
 - i. If a dangerous indoor air quality condition and/or fire hazard is found to exist, Contractor shall disable the appliance to eliminate the immediate hazard in accordance with CSD Weatherization Installation Standards and Policies and Procedures.
 - ii. If the dwelling is later occupied with an eligible applicant, Contractor may provide the appliance services and shall report the dwelling as previously weatherized. Upon the completion of service, Contractor shall report the dwelling as previously weatherized.